

**DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT**
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT  
☒ SUPERSEDING
**OFFENSE CHARGED**

SEE ATTACHMENT FOR DETAIL OF CHARGES

COUNT 1 THROUGH 10: BOTH DEFENDANTS

COUNT 11: SHOLEH A. HAMEDANI ONLY

COUNT 12: NASSAR V. HAMEDANI ONLY

☐ Petty  
☐ Minor  
☐ Misdemeanor  
☒ Felony

PENALTY:

SEE ATTACHMENT

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

**SEALED BY ORDER OF THE COURT**

DEFENDANT - U.S.

▶ SHOLEH A. HAMEDANI and NASSAR V. HAMEDANI

DISTRICT COURT NUMBER

CR 06-0504 VRW

**PROCEEDING**

Name of Complainant Agency, or Person (&amp; Title, if any)

FBI

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE
SHOW  
DOCKET NO.
☒ this prosecution relates to a pending case involving this same defendant
MAGISTRATE  
CASE NO.
☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form JOSEPH P. RUSSONIELLO

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S.

Attorney (if assigned)

TIMOTHY J. LUCEY

**DEFENDANT****IS NOT IN CUSTODY**

Has not been arrested, pending outcome this proceeding.

 1) ☒ If not detained give date any prior summons was served on above charges
2) ☐ Is a Fugitive3) ☐ Is on Bail or Release from (show District)**IS IN CUSTODY**4) ☐ On this charge5) ☐ On another conviction
☐ Federal ☐ State
6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

 Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF  
ARREST

Month/Day/Year

Or... if Arresting Agency &amp; Warrant were not

DATE TRANSFERRED  
TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted
**PROCESS:**
☐ SUMMONS ☐ NO PROCESS\* ☒ WARRANT

Bail Amount: NO BAIL

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time:

Before Judge:

Comments:

**ADDITIONAL INFORMATION OR COMMENTS**

## **ATTACHMENT**

**Count One:** 18 U.S.C. § 371 (Conspiracy to Commit Securities Fraud, False Statements to Accountants, and Falsifying Books, Records, and Accounts)

**Count Ten:** 18 U.S.C. § 371 (Conspiracy to Commit Obstruction)

**Maximum Penalties:** Five (5) years imprisonment; a fine of up to \$250,000 or twice the amount of gain or loss, whichever is greater; three (3) years supervised release; \$100 special assessment

**Counts Two through Five:** 15 U.S.C. §§ 78j(b) and 78ff; 17 C.F.R. § 240.10b-5 (Securities Fraud); 18 U.S.C. § 2 (Aiding and Abetting)

**Maximum Penalties:** Twenty (20) years imprisonment; a fine of up to \$5,000,000 fine or twice the amount of gain or loss, whichever is greater; three (3) years supervised release; \$100 special assessment

**Count Six:** 18 U.S.C. § 1348 (Securities Fraud)

**Maximum Penalties:** Twenty-five (25) years imprisonment; a fine of up to \$250,000 or twice the amount of gain or loss, whichever is greater; five (5) years supervised release; \$100 special assessment

**Counts Seven and Eight:** 15 U.S.C. § 78ff; 17 C.F.R. § 240.13b2-2 (False Statements to Accountants); 18 U.S.C. § 2 (Aiding and Abetting)

**Maximum Penalties:** Twenty (20) years imprisonment; a fine of up to \$5,000,000 fine or twice the amount of gain or loss, whichever is greater; three (3) years supervised release; \$100 special assessment

**Count Nine:** 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and 78ff; 17 C.F.R. § 240.13b2-2 (Falsifying Books, Records, and Accounts); 18 U.S.C. § 2 (Aiding and Abetting)

**Maximum Penalties:** Twenty (20) years imprisonment; a fine of up to \$5,000,000 fine or twice the amount of gain or loss, whichever is greater; three (3) years supervised release; \$100 special assessment

**Counts Eleven and Twelve:** 18 U.S.C. § 1505 (Obstruction)

**Maximum Penalties:** Five (5) years imprisonment; a fine of up to \$250,000 or twice the amount of gain or loss, whichever is greater; three (3) years supervised release; \$100 special assessment

**Counts One through Five Include a Forfeiture Allegation**

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NORTHERN DISTRICT OF CALIFORNIA

**SEALED BY ORDER OF THE COURT****DEFENDANT - U.S.**

▶ SHOLEH A. HAMEDANI and NASSAR V. HAMEDANI

DISTRICT COURT NUMBER

CR 06-0504 VRW

**PROCEEDING**

Name of Complainant Agency, or Person (&amp; Title, if any)

FBI

☐ person is awaiting trial in another Federal or State Court, give name of court☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:☐ U.S. ATTORNEY ☐ DEFENSESHOW  
DOCKET NO.☒ this prosecution relates to a pending case involving this same defendantMAGISTRATE  
CASE NO.☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form JOSEPH P. RUSSONIELLO

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S.

Attorney (if assigned)

TIMOTHY J. LUCEY

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If "Yes" give date filed

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Month/Day/Year

Or... if Arresting Agency &amp; Warrant were not

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Month/Day/Year

☐ This report amends AO 257 previously submitted**ADDITIONAL INFORMATION OR COMMENTS****PROCESS:**☐ SUMMONS ☐ NO PROCESS\* ☒ WARRANT

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**Maximum Penalties:** Five (5) years imprisonment; a fine of up to \$250,000 or twice the amount of gain or loss, whichever is greater; three (3) years supervised release; \$100 special assessment

**Counts One through Five Include a Forfeiture Allegation**

1 JOSEPH P. RUSSONIELLO (CSBN 44332)  
2 United States Attorney

FILED  
09 JUL 21 PM 3:27  
RICHARD W. WELKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

3  
4  
5  
6 **SEALED BY ORDER OF THE COURT**

7  
8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 SAN FRANCISCO DIVISION

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 SHOLEH A. HAMEDANI,  
15 NASSER V. HAMEDANI,

16 Defendants.  
17  
18

No. CR 09 - 0504 VRW

VIOLATIONS:

18 U.S.C. § 371 (Conspiracy); 15 U.S.C. §§  
78j(b), 78ff, 17 C.F.R. § 240.10b-5 (Securities  
Fraud); 18 U.S.C. § 1348 (Securities Fraud);  
15 U.S.C. § 78ff, 17 C.F.R. § 240.13b2-2  
(False Statements to Accountants);  
15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5) and  
78ff, 17 C.F.R. § 240.13b2-1 (Falsifying  
Books, Records, and Accounts);  
18 U.S.C. § 1505 (Obstruction of Justice);  
18 U.S.C. § 2 (Aiding and Abetting);  
18 U.S.C. § 981, 28 U.S.C. § 2461  
(Forfeiture)

SAN FRANCISCO VENUE

21 SUPERSEDING INDICTMENT

22 The Grand Jury charges:

23 Relevant Persons and Entities

24 1. At all relevant times, defendant SHOLEH A. HAMEDANI was a resident of  
25 Danville, California. From on or about August 2002 until on or about October 2006, SHOLEH  
26 A. HAMEDANI was identified in the company's public filings as the chief executive officer,  
27 chief financial officer, and the chair of the board of directors of The Children's Internet, Inc.  
28 ("TCI").

1           2.       At all relevant times, NASSER V. HAMEDANI was a resident of Danville,  
2 California. From on or about July 2002 through on or about October 2006, NASSER V.  
3 HAMEDANI was the *de facto* chairman of the board of directors and chief executive officer of  
4 TCI, although he was never identified or disclosed as a board member or an officer of TCI in the  
5 company's public filings.

6           3.       At all relevant times, TCI was a Nevada corporation incorporated on or about  
7 1996. From on or about 1996 through on or about 2001, TCI was known as DWC Installations,  
8 Inc. ("DWC"), with its principal place of business in the State of Florida. On or about July 2002,  
9 SHOLEH A. HAMEDANI and NASSER V. HAMEDANI bought the company and the name  
10 was changed to TCI. At that time, SHOLEH A. HAMEDANI and NASSER V. HAMEDANI  
11 operated TCI from an office in San Ramon, California, and later moved to Pleasanton,  
12 California. SHOLEH A. HAMEDANI and NASSER V. HAMEDANI said TCI was a start-up  
13 company in the process of developing and marketing software designed to restrict and protect  
14 children's access to the internet. Beginning on or about March 2006, TCI began selling its  
15 internet website portal to consumers, who accessed the portal by paying a subscription fee to  
16 TCI. This corporation will be referred to collectively hereinafter as TCI.

17           4.       At all relevant times, Two Dog Net, Inc. ("Two Dog Net") was a Utah  
18 corporation, incorporated on or about July 1983. Two Dog Net operated out of the same office  
19 that TCI occupied in Pleasanton, California. Two Dog Net was also controlled by NASSER V.  
20 HAMEDANI and SHOLEH A. HAMEDANI. In its public and promotional statements, TCI said  
21 Two Dog Net developed the product that TCI eventually sold.

22           5.       At all relevant times, Shadrack Films, Inc. ("Shadrack Films") was a California  
23 corporation, incorporated on or about May 31, 2002. SHOLEH A. HAMEDANI and NASSER  
24 V. HAMEDANI created Shadrack Films as a shell company to serve as the majority shareholder  
25 of TCI. SHOLEH A. HAMEDANI was Shadrack's sole officer, director, and shareholder.

26  
27                   Obligations of Publicly Traded Companies

28           6.       Beginning on or about February 23, 2005, TCI's common stock was publicly

1 traded under the ticker symbol "CITC" on the OTC Bulletin Board, a national securities  
2 exchange that uses the means and instrumentalities of interstate commerce and the mails. At all  
3 relevant times, the OTC Bulletin Board was administered by the National Association of  
4 Securities Dealers ("NASD").

5 7. As a public company, TCI was required to comply with the Securities Act of 1933  
6 and the Securities Exchange Act of 1934 as well as the regulations of the United States Securities  
7 and Exchange Commission (the "SEC"). Those statutes and regulations are designed to protect  
8 the investing public by, among other things, ensuring that a company's financial information is  
9 accurately recorded, audited and disclosed to the public.

10 8. Under the Securities Exchange of 1934, an application to register a security for  
11 sale on a national securities exchange, unless otherwise exempted or modified by the SEC, shall  
12 contain such information, in such detail, as to the issuer and any person directly or indirectly  
13 controlling or controlled by, or under direct or indirect common control with, the issuer, in  
14 respect of, among other things, the following: (a) the organization, financial structure, and  
15 nature of the business; (b) the terms on which their securities are to be, and during the preceding  
16 three years have been, offered to the public or otherwise; (c) material contracts, not made in the  
17 ordinary course of business, which were made not more than two years before such filing; and,  
18 (d) the directors, officers, and underwriters, and each security holder of record holding more than  
19 10 percent per centum of any equity security of the issuer, their remuneration and their interests  
20 in the securities of, and their material contracts with, the issuer and any person directly or  
21 indirectly controlling or controlled by, of under direct or indirect control with, the issuer.

22 9. Under SEC regulations, control means the possession, direct or indirect, of the  
23 power to direct or cause the direction of the management and policies of a person, whether  
24 through the ownership of voting securities, by contract, or otherwise.

25 10. Under SEC regulations, a beneficial owner of a security includes any person who,  
26 directly or indirectly, through any contract, arrangement, understanding, relationship, or  
27 otherwise has or shares investment power which includes the power to dispose, or to direct the

28 ////

1 disposition of such security.

2 11. Under SEC regulations, all securities of the same class beneficially owned by a  
3 person, regardless of the form which such beneficial ownership takes, shall be aggregated in  
4 calculating the number of shares beneficially owned by such person.

5 12. Under SEC regulations, any person who, directly or indirectly creates, or uses a  
6 trust, proxy, power of attorney, pooling arrangement, or any other contract, arrangement, or  
7 device with the purpose or effect of divesting such person of beneficial ownership as part of a  
8 plan or scheme to evade the reporting requirements shall be deemed to be beneficial owner of the  
9 subject security.

10 13. Under SEC regulations, TCI and its officers and directors also had a duty to,  
11 among other things: (a) make and keep books, records and accounts that fairly and accurately  
12 reflected the company's business transactions; (b) devise and maintain a system of internal  
13 accounting controls sufficient to provide reasonable assurances that the company's transactions  
14 were recorded as necessary to permit preparation of reliable financial statements; (c) file annual  
15 reports (on SEC Form 10-KSB) and quarterly reports (on SEC Form 10-QSB) with the SEC.  
16 Among the information presented in these SEC filings was TCI's management and board of  
17 directors, the number of shares issued by TCI, and TCI's total current assets and liabilities.

18 14. From on or about July 2002 to on or about July 2004, Stonefield Josephson, LLC  
19 ("Stonefield"), an independent registered public accounting firm, acted as the outside auditor for  
20 TCI. Stonefield conducted annual audits and quarterly reviews of TCI's financial statements, and  
21 assisted TCI's preparation of its SEC filings, such as Forms SB-2 and 424B2. Stonefield also  
22 required, in connection with its audits and quarterly reviews, that certain members of TCI  
23 management execute and deliver to Stonefield documents known as "management representation  
24 letters," in which SHOLEH A. HAMEDANI made representations about the manner in which  
25 TCI's financial information was prepared and presented.

26 15. From on or about July 2004 to on or about October 2006, Marc Lumer &  
27 Company, LLC ("Marc Lumer"), an independent registered public accounting firm, acted as the  
28 outside auditor for TCI. Marc Lumer conducted annual audits and quarterly reviews of TCI's



1 financial statements, and assisted TCI's preparation of its SEC filings, such as Forms 10-KSB  
2 and 10-QSB. Marc Lumer also required, in connection with its audits and quarterly reviews, that  
3 certain members of TCI management execute and deliver to Marc Lumer documents known as  
4 "management representation letters," in which SHOLEH A. HAMEDANI made representations  
5 about the manner in which TCI's financial information was prepared and presented.

6 16. Under SEC regulations, no officer or director of an issuer shall, directly or  
7 indirectly, make or cause to be made a materially false or misleading statement to an accountant  
8 in connection with any audit, review, or examination of the financial statements of the issuer  
9 required to be made or in the preparation or filing of any document or report required to be filed  
10 with the SEC.

11 17. TCI's fiscal year ended on December 31<sup>st</sup> of each calendar year.

#### 12 The Scheme to Defraud

13  
14 18. From on or about February 2002 until at least on or about October 2006,  
15 SHOLEH A. HAMEDANI, NASSER V. HAMEDANI, and others participated in a scheme to  
16 defraud by selling securities in TCI that generated approximately \$2.9 million and, contrary to  
17 representations they made to investors, fraudulently diverted approximately \$1.2 million to pay  
18 for their own personal expenses, including gambling, automobiles, and home mortgages.  
19 SHOLEH A. HAMEDANI and NASSER V. HAMEDANI carried out this scheme in the  
20 following manner:

21 a. Between on or about February 2002 and on or about July 2002, SHOLEH  
22 A. HAMEDANI and NASSER V. HAMEDANI solicited and sold shares in TCI in order to  
23 generate the funds to purchase TCI for themselves;

24 b. Between on or about February 2003 and on or about February 2005,  
25 SHOLEH A. HAMEDANI and NASSER V. HAMEDANI fraudulently sold more shares than  
26 they registered with the SEC while diverting investor monies to uses other than TCI;

27 c. On or about February 2005, SHOLEH A. HAMEDANI and NASSER V.  
28 HAMEDANI caused TCI to file a document with the SEC in which TCI made fraudulent

1 representations about the date and price of its most recent sale of stock in order to obtain  
2 additional shares for themselves in TCI;

3 d. Later, on or about February 2005, SHOLEH A. HAMEDANI and  
4 NASSER V. HAMEDANI caused TCI to make series of filings with the SEC in which TCI made  
5 fraudulent representations about management's purported discovery of a so-called October 11,  
6 2002 loan agreement that provided for a 4-to-1 stock exchange and approximately 4,400,000  
7 shares of additional TCI stock;

8 e. Later, on or about February 2005, SHOLEH A. HAMEDANI and  
9 NASSER V. HAMEDANI withheld certificates from investors preventing them from selling  
10 their shares, even as they arranged for the sale of TCI stock that generated profits for themselves  
11 of approximately \$1.6 million.

12 19. Between on or about February 2002 and on or about December 31, 2005,  
13 SHOLEH A. HAMEDANI and NASSER V. HAMEDANI generated profits in excess of  
14 approximately \$2.8 million as a result of this scheme to defraud.

15 *Diversion of Investors Funds to Buy Controlling Interest in TCI*

16 20. On or about February 2002, SHOLEH A. HAMEDANI and NASSER V.  
17 HAMEDANI and others began to solicit investors to purchase shares in TCI. SHOLEH A.  
18 HAMEDANI and NASSER V. HAMEDANI represented, among other things, that TCI was  
19 seeking investors in advance of an intended public offering on a national securities exchange and  
20 needed investment capital to develop and market its internet software product. SHOLEH A.  
21 HAMEDANI and NASSER V. HAMEDANI and others further represented, among others  
22 things, that the shares could potentially become more valuable after the company was listed and  
23 publicly traded.

24 21. Between on or about February 2002 and on or about July 2002, SHOLEH A.  
25 HAMEDANI and NASSER V. HAMEDANI and others raised approximately \$700,000 from  
26 investors by promising them shares in TCI.

27 22. In fact, between on or about February 2002 and on or about July 2002, SHOLEH  
28 A. HAMEDANI and NASSER V. HAMEDANI and others, in contravention of SEC statutes and

1 regulations, solicited and sold shares in TCI before they even controlled TCI in order to generate  
2 the funds necessary to purchase TCI for themselves.

3 23. On or about July 3, 2002, SHOLEH A. HAMEDANI and NASSER V.  
4 HAMEDANI fraudulently diverted approximately \$150,000 of the approximately \$700,000  
5 raised from investors to Shadrack Films, a company controlled by SHOLEH A. HAMEDANI,  
6 which then used the money to purchase control of TCI.

7 *Misrepresentations in SEC Filings Prior to Initial Public Offering*

8 24. On or about February 10, 2003, SHOLEH A. HAMEDANI and NASSER V.  
9 HAMEDANI caused TCI to file Form SB-2 (also known as a registration statement) with the  
10 SEC in order to identify and register TCI's existing shares.

11 25. The Form SB-2 represented, among other things, that the number of outstanding  
12 shares of TCI was approximately 2,287,755. Of those, Shadrack Films held approximately  
13 1,166,000 shares, while approximately 1,118,000 shares were held by other shareholders. The  
14 Form SB-2 also stated that TCI intended to offer approximately 4,000,000 new, additional  
15 shares on a national securities exchange.

16 26. On or about May 5, 2004, TCI's registration was deemed effective by the SEC as  
17 to existing shares of approximately 2,287,755 as well as the new, additional shares of  
18 approximately 4,000,000.

19 27. On or about May 13, 2004, SHOLEH A. HAMEDANI and NASSER V.  
20 HAMEDANI caused TCI to file Form 424B2, an investor prospectus, with the SEC, in advance  
21 of its anticipated listing on a national securities exchange.

22 28. The prospectus reaffirmed that the TCI had approximately 2,287,755 existing  
23 shares, of which approximately 1,166,000 were controlled by Shadrack Films, while  
24 approximately 1,118,000 were held by other investors. The prospectus also reiterated the  
25 intended new offering of approximately 4,000,000 shares on a national securities exchange.

26 *a. Use of Investor Money*

27 29. Between on or about February 2002 and on or about February 21, 2005, SHOLEH  
28 A. HAMEDANI and NASSER V. HAMEDANI sold investors shares in TCI, representing that

1 the money raised would be used for the benefit of TCI.

2 30. On or about February 10, 2003, the Form SB-2 represented to potential investors,  
3 among other things, that proceeds from the sale of the securities to be offered would be used for  
4 TCI's marketing and advertising, technical operations, reserve for contingencies, and working  
5 capital, and general corporate purposes.

6 31. On or about May 13, 2004, the Form 424B2 prospectus represented to potential  
7 investors, among other things, that proceeds from the sale of the securities to be offered would be  
8 used for TCI's marketing and sales plan, technical operations, and general operating capital.

9 32. From on or about February 2002 through on or about February 21, 2005,  
10 SHOLEH A. HAMEDANI and NASSER V. HAMEDANI sold a total of approximately  
11 2,100,000 shares to investors and generated approximately \$2,900,000 as investments in TCI.

12 33. In fact, from on or about February 2002 through on or about February 21, 2005,  
13 and in contravention of SEC statutes and regulations, SHOLEH A. HAMEDANI and NASSER  
14 V. HAMEDANI spent only a fraction of the money raised from the sale of TCI stock on expenses  
15 relating to TCI, while diverting the remainder to pay their personal expenses and other uses,  
16 unrelated to TCI.

17 *b. Oversubscription of TCI Stock*

18 34. On or about July 23, 2004, SHOLEH A. HAMEDANI and NASSER V.  
19 HAMEDANI were advised that the NASD would not approve its application for a listing on a  
20 national securities exchange if it included a direct public offering of approximately 4,000,000  
21 new shares of TCI stock.

22 35. On or about October 19, 2004, SHOLEH A. HAMEDANI and NASSER V.  
23 HAMEDANI caused TCI to file a post-registration amendment in which it notified the SEC that  
24 it was withdrawing its direct public offering of approximately 4,000,000 new shares in TCI stock  
25 but maintaining its registration of approximately 2,287,755 existing shares of TCI stock.

26 36. On or about December 24, 2004, the NASD approved TCI's application for listing  
27 and trading of its stock on the OTC Bulletin Board.

28 37. Between on or about February 2002 and on or about February 21, 2005, and in

1 contravention of SEC statutes and regulations, SHOLEH A. HAMEDANI and NASSER V.  
2 HAMEDANI had sold approximately 2,100,000 of the approximately 2,287,755 existing shares  
3 of TCI stock that had been previously registered with the SEC.

4 38. On or about February 21, 2005, SHOLEH A. HAMEDANI and NASSER V.  
5 HAMEDANI retained approximately 1,166,000 shares of TCI for themselves through their  
6 control of Shadrack Films. When combined with the approximately 2,100,000 shares of TCI  
7 already sold to investors, SHOLEH A. HAMEDANI and NASSER V. HAMEDANI had  
8 exceeded TCI's registered shares by approximately 1,000,000 shares.

9 *Shadrack Films Obtains Additional Shares Prior to Initial Public Offering*

10 39. On or about February 22, 2005, SHOLEH A. HAMEDANI and NASSER V.  
11 HAMEDANI caused TCI to file a Form 8-K in which TCI stated that its board of directors had  
12 approved the conversion of debt owed by TCI to Shadrack Films in exchange for shares of TCI  
13 stock.

14 40. The filing stated that Shadrack Films was receiving approximately 6,527,314  
15 shares of TCI stock upon conversion of TCI's current debt to Shadrack Films of approximately  
16 \$457,000, priced at a conversion price of \$.07 per share, based on the most recent sale of a share  
17 of TCI's common stock which occurred in October 2002 in a private transaction.

18 41. In fact, on or about February 22, 2005, and in contravention of SEC statutes and  
19 regulations, SHOLEH A. HAMEDANI and NASSER V. HAMEDANI knew that there had been  
20 thousands of shares of TCI stock to numerous investors between on or about October 2002 and  
21 on or about February 22, 2005, at prices ranging from \$.50 to \$2.00 per share. Through this  
22 transaction, SHOLEH A. HAMEDANI and NASSER V. HAMEDANI ensured they would  
23 continue to own the majority of shares of TCI through Shadrack Films.

24 *Restatement Based on Fraudulent October 11, 2002 Loan Agreement*

25 42. On or about February 23, 2005, TCI's stock began trading on the OTC Bulletin  
26 Board.

27 43. On or about April 20, 2005, SHOLEH A. HAMEDANI and NASSER V.  
28 HAMEDANI caused TCI to file a series of documents with the SEC regarding a restatement of

1 prior earnings based on a fraudulent loan agreement that was purportedly executed on or about  
2 October 11, 2002.

3 44. On or about April 20, 2005 (in a Form 8-K) , on or about June 8, 2005 (in a Form  
4 10-KSB), and on or about August 15, 2005 (in a Form 10-QSB), TCI made various  
5 representations, including that its management had discovered a purported loan agreement that  
6 TCI had entered into with five of its shareholders on or about October 11, 2002, but that the  
7 agreement had not been disclosed in any of TCI's previous SEC filings or otherwise included as  
8 an exhibit as a result of an error of omission.

9 45. On or about August 15, 2005, in its Form 10-QSB, SHOLEH A. HAMEDANI and  
10 NASSER V. HAMEDANI represented that the so-called October 11, 2002 loan agreement  
11 memorialized a 4-to-1 stock exchange in which the five shareholders received restricted shares in  
12 exchange for their existing shares, generating approximately 4,400,000 additional shares. The  
13 so-called October 11, 2002 loan agreement went on to provide that the five shareholders had  
14 agreed to loan the proceeds from the sale of their original unrestricted shares to Two Dog Net,  
15 Inc., which would then loan funds to Shadrack Films, which would in turn loan funds to TCI.

16 46. Later, on or about April 2005, SHOLEH A. HAMEDANI provided a copy of the  
17 so-called October 11, 2002 loan agreement to TCI's outside auditor, to prepare the restatement of  
18 its earnings.

19 47. On or about June 23, 2005 and on or about August 10, 2005, SHOLEH A.  
20 HAMEDANI executed management representation letters to TCI's outside auditors, in which she  
21 represented, among other things, that (a) there were no material transactions that have not been  
22 properly recorded in the accounting records underlying the interim financial information; and (b)  
23 she had no knowledge of any fraud or suspected fraud affecting TCI involving management or  
24 others where fraud could have a material effect on interim financial information.

25 48. In fact, and in contravention of SEC statutes and regulations, SHOLEH A.  
26 HAMEDANI and NASSER V. HAMEDANI fraudulently created the so-called October 11, 2002  
27 loan agreement to cover up, after the fact, the sales of TCI stock to investors in numbers that  
28 exceeded the number of shares that TCI had registered with the SEC by approximately

1,000,000.

*Use of Nominee Accounts to Control Stock Sales*

49. On or about February 23, 2005, after TCI's shares began trading, SHOLEH A. HAMEDANI and NASSER V. HAMEDANI delayed the delivery of share certificates so they could sell TCI shares they controlled.

*a. NASSER V. HAMEDANI Controlled TCI*

50. From on or about February 2002 through on or about October 2006, NASSER V. HAMEDANI controlled TCI by, among other things, arranging for the purchase of TCI, acting as Chairman of TCI, managing the sale of TCI shares to outside investors, and controlling the bank accounts into which TCI's investor monies were deposited.

51. In fact, and in contravention of SEC statutes and regulations, NASSER V. HAMEDANI never identified himself as having role in the management or control of TCI in any filing with the SEC, including TCI's Form SB-2 registration statement nor TCI's Form 424B2 investor prospectus.

*b. NASSER V. HAMEDANI Controlled Shares in Nominee Accounts*

52. Beginning on or about February 18, 2005, NASSER V. HAMEDANI arranged for two brokerage accounts to be opened in the name of two of his relatives, referred to hereinafter as Account A and Account B.

53. On or about February 23, 2005, approximately 60,000 shares of TCI stock were deposited into Account A, which were then immediately sold. By on or about May 2005, more than approximately 90,000 shares were sold from brokerage Account A.

54. On or about April 2005, approximately 24,000 TCI shares were sold from Account B. By on or about August 2005, approximately 830,000 shares of TCI stock were sold from Account B.

55. By on or about August 2005, sales of TCI shares from Accounts A and Account B had generated approximately \$2 million, of which approximately \$1.6 million was ultimately delivered to NASSER V. HAMEDANI.

56. In fact, between on or about February 2005 and on or about August 2005, and in

1 contravention of SEC statutes and regulations, SHOLEH A. HAMEDANI and NASSER V.  
2 HAMEDANI failed to file with the SEC any statement of beneficial ownership relating to sales  
3 of TCI stock by NASSER V. HAMEDANI for the shares in Account A and Account B .

4 c. *Shares Certificates Withheld from Non-Affiliated Investors*

5 57. On or about February 23, 2005, and in contravention of SEC statutes and  
6 regulations, SHOLEH A. HAMEDANI and NASSER V. HAMEDANI failed to deliver or  
7 otherwise transmit the certificates to all of TCI's non-affiliated investors until on or after April  
8 28, 2005.

9 58. Between on or about February 23, 2005 and on or about April 28, 2005, investors  
10 who had previously purchased existing shares in TCI were unable to re-sell and otherwise trade  
11 their shares on OTC Bulletin Board.

12  
13 Investigation by the United States Securities and Exchange Commission

14 59. At all relevant times, the SEC was an independent agency of the United States.  
15 The SEC's Division of Enforcement, among other things, investigated possible violations of  
16 federal securities statutes and regulations and brought administrative and civil actions to enforce  
17 those statutes and regulations.

18 60. On or about July 19, 2005, the SEC commenced an investigation into securities  
19 fraud relating to the registration and sales of securities issues by TCI.

20 61. On or about October 25, 2005, attorneys from the SEC's Division of Enforcement  
21 conducted a sworn interview of SHOLEH A. HAMEDANI as a part of the SEC's investigation  
22 into securities fraud relating to the registration and sales of securities issued by TCI.

23 62. On or about October 26, 2005, attorneys from the SEC's Division of  
24 Enforcement conducted a sworn interview of SHOLEH A. HAMEDANI as a part of the SEC's  
25 investigation into securities fraud relating to the registration and sales of securities issued by TCI.

26 63. On or about January 6, 2006, attorneys from the SEC's Division of Enforcement  
27 conducted a sworn interview of NASSER V. HAMEDANI as a part of the SEC's investigation  
28 into securities fraud relating to the registration and sales of securities issued by TCI.



1           64.     On or about January 9, 2006, attorneys from the SEC's Division of Enforcement  
2 conducted a sworn interview of SHOLEH A. HAMEDANI as a part of the SEC's investigation  
3 into securities fraud relating to the registration and sales of securities issued by TCI.

4           65.     On or about March 27, 2006, attorneys from the SEC's Division of Enforcement  
5 conducted a sworn interview of NASSER V. HAMEDANI as a part of the SEC's investigation  
6 into securities fraud relating to the registration and sales of securities issued by TCI.

7           66.     On or about March 31, 2006, attorneys from the SEC's Division of Enforcement  
8 conducted a sworn interview of SHOLEH A. HAMEDANI as a part of the SEC's investigation  
9 into securities fraud relating to the registration and sales of securities issued by TCI.

10          67.     On or about January 9, 2008, attorneys from the SEC's Division of Enforcement  
11 conducted a sworn deposition of SHOLEH A. HAMEDANI as a part of the SEC's investigation  
12 into securities fraud relating to the registration and sales of securities issued by TCI.

13          68.     On or about January 11, 2008, attorneys from the SEC's Division of Enforcement  
14 conducted a sworn deposition of NASSER V. HAMEDANI as a part of the SEC's investigation  
15 into securities fraud relating to the registration and sales of securities issued by TCI.

16          69.     Between on or about 2005 and on or about 2008, SHOLEH A. HAMEDANI and  
17 NASSER V. HAMEDANI produced or otherwise provided documents and other materials to the  
18 SEC, including a declaration sworn under penalty of perjury by SHOLEH A. HAMEDANI, that  
19 was filed with the United States District Court for the Northern District of California.  
20

21 COUNT ONE: 18 U.S.C. § 371 (Conspiracy to Commit Securities Fraud, False Statements to  
22 Accountants, and Falsifying Books, Records, and Accounts)

23          70.     Paragraphs 1 through 69 are realleged as if fully set forth herein.

24          71.     Using the business entities that they controlled, and beginning on or about  
25 February 2002 and continuing thereafter until at least on or about October 2006, in the Northern

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28 ///

1 District of California and elsewhere, the defendants,

2 SHOLEH A. HAMEDANI and  
3 NASSER V. HAMEDANI,

4 and others unlawfully, willfully, and knowingly, did conspire and agree together and with each  
5 other to commit offenses against the United States, to wit: (a) fraud in connection with the  
6 purchase and sale of securities issued by TCI, in violation of Title 15, United States Code,  
7 Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5; (b) false  
8 and misleading statements and omissions of material fact in reports and document required to be  
9 filed under the Securities and Exchange Act of 1934 and the rules and regulations thereunder, in  
10 violation of Title 15, United States Code, Sections 78ff, and Title 17, Code of Federal  
11 Regulations, Section 240.13b2-2; and (c) falsified books, records, and accounts of TCI, in  
12 violation of Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5), and 78ff, and Title  
13 17, Code of Federal Regulations, Section 240.13b2-1.

14 72. It was part and object of the conspiracy that SHOLEH A. HAMEDANI and  
15 NASSER V. HAMEDANI and others unlawfully, willfully, and knowingly, directly and  
16 indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails,  
17 and of facilities of national securities exchanges, used and employed, in connection with the  
18 purchase and sale of securities, manipulative and deceptive devices and contrivances by: (a)  
19 employing devices, schemes, and artifices to defraud; (b) making untrue statements of material  
20 fact and omitting to state material facts necessary in order to make the statements made, in light  
21 of the circumstances under which they were made, not misleading; and (c) engaging in acts,  
22 practices, and course of business which operated as a fraud and deceit upon members of the  
23 investing public and others, in connection with the purchase and sale of securities, in violation of  
24 Title 15, United States Code, Section 78j(b) and 78ff, and Title 17, Code of Federal Regulations,  
25 Section 240.10b-5.

26 73. It was also part and object of the conspiracy that SHOLEH A. HAMEDANI and  
27 NASSER V. HAMEDANI and others unlawfully, willfully, and knowingly, directly and  
28 indirectly, made and caused to be made materially false and misleading statements and omissions

1 to TCI's auditors in connection with the audit and examination of TCI's financial statements, and  
2 in connection with the preparation of documents and reports required to be filed with the SEC,  
3 and did knowingly and willfully omit to state material facts necessary in order to make  
4 statements made, in light of the circumstances under which such statements were made, not  
5 misleading, in violation of Title 15, United States Code, Sections 78ff, and Title 17, Code of  
6 Federal Regulations, Section 240.13b2-2.

7 74. It was also part and object of the conspiracy that SHOLEH A. HAMEDANI and  
8 NASSER V. HAMEDANI and others unlawfully, willfully, and knowingly, directly and  
9 indirectly, falsified and caused to be falsified books, records, and accounts of TCI, in violation of  
10 Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5), and 78ff, and Title 17, Code of  
11 Federal Regulations, Section 240.13b2-1.

12  
13 The Manner and Means of the Conspiracy to Defraud

14 75. Among the means and methods by which SHOLEH A. HAMEDANI and  
15 NASSER V. HAMEDANI and others carried out this conspiracy were the following:

16 a. SHOLEH A. HAMEDANI and NASSER V. HAMEDANI made  
17 misrepresentations of material fact in written and oral communications to investors in order to  
18 induce investors to purchase shares in TCI.

19 b. SHOLEH A. HAMEDANI and NASSER V. HAMEDANI omitted  
20 material facts in written and oral communications necessary in order to make the statements in  
21 the written and oral communications to investors, under the circumstances they were made, not  
22 misleading, in order to induce investors to purchase shares in TCI.

23 c. SHOLEH A. HAMEDANI and NASSER V. HAMEDANI made  
24 misrepresentations of material fact in documents filed with the SEC in order to induce investors  
25 to purchase and retain shares in TCI.

26 d. SHOLEH A. HAMEDANI and NASSER V. HAMEDANI omitted  
27 material facts in documents filed with the SEC necessary in order to make the statements in the  
28 SEC filings, under the circumstances they were made, not misleading, in order to induce

investors to purchase shares in TCI.

e. SHOLEH A. HAMEDANI and NASSER V. HAMEDANI made misrepresentations of material facts in management representation letters provided to TCI's outside auditors.

f. SHOLEH A. HAMEDANI and NASSER V. HAMEDANI omitted material facts in management representation letters provided to TCI's outside auditors, in order to make the statements in management representation letters, under the circumstances they were made, not misleading.

g. SHOLEH A. HAMEDANI and NASSER V. HAMEDANI created fraudulent documents alleging a purported October 11, 2002 loan agreement, and then proceeded to transmit and deliver those documents to, among others, TCI's outside auditors and the SEC.

h. SHOLEH A. HAMEDANI and NASSER V. HAMEDANI diverted money provided by investors contrary to the manner represented to investors in written and oral communications to investors and in the documents filed with the SEC.

i. SHOLEH A. HAMEDANI and NASSER V. HAMEDANI withheld certificates from investors preventing them from selling their shares, even as they arranged for the sale of TCI stock that generated profits for themselves, and even as they failed to file the appropriate statements of beneficial ownership with the SEC.

76. The purpose of this conspiracy and scheme to defraud was to obtain money from investors so that the SHOLEH A. HAMEDANI and NASSER V. HAMEDANI could enrich themselves and pay their own personal expenses, including gambling debts, residential mortgages, and personal automobiles, in excess of approximately \$1.2 million, as well as control and manipulate the sale of TCI stock on the OTC Bulletin Board, so that SHOLEH A. HAMEDANI and NASSER V. HAMEDANI could enrich themselves by approximately \$1.6 million.

#### Overt Acts in Furtherance of Conspiracy to Defraud

77. In furtherance of the conspiracy and to effect the illegal objects thereof, SHOLEH

1 A. HAMEDANI and NASSER V. HAMEDANI committed and caused others committed the acts  
2 described above, which are hereby realleged as if fully set forth herein, and to commit the  
3 following overt acts, among others, in the Northern District of California and elsewhere:

4 a. On or about August 7, 2002, TCI transmitted a management  
5 representation letter to Stonefield, TCI's outside auditor, for fiscal period ending June 30, 2002.

6 b. On or about November 11, 2002, TCI transmitted a management  
7 representation letter to Stonefield, TCI's outside auditor, for the fiscal period ending September  
8 30, 2002.

9 c. On or about February 10, 2003, TCI filed with the SEC Form SB-2, a  
10 registration statement.

11 d. On or about March 11, 2003, TCI transmitted a management  
12 representation letter to Stonefield, TCI's outside auditor, for the fiscal period ending December  
13 31, 2002.

14 e. On or about June 26, 2003, TCI transmitted a management representation  
15 letter to Stonefield, TCI's outside auditor, for the fiscal period ending March 31, 2003.

16 f. On or about June 30, 2003, TCI transmitted a management representation  
17 letter to Stonefield, TCI's outside auditor, for the fiscal period ending December 31, 2002.

18 g. On or about February 26, 2004, TCI transmitted a management  
19 representation letter to Stonefield, TCI's outside auditor, for the fiscal period ending December  
20 31, 2003.

21 h. On or about May 12, 2004, TCI filed with the SEC Form 424B2, a  
22 investor prospectus.

23 i. On or about February 22, 2005, TCI filed with the SEC Form 8-K, a  
24 current report relating to, among other things, TCI's most recent sale of existing stock.

25 j. On or about April 20, 2005, TCI filed with the SEC Form 8-K, a current  
26 report.

27 k. On or about June 8, 2005, TCI filed with the SEC Form 10-KSB, an  
28 annual report.

1           l.       On or about June 23, 2005, TCI transmitted a management representation  
2 letter to Marc Lumer, TCI's outside auditor, for the fiscal period ending March 31, 2005.

3           m.       On or about August 10, 2005, TCI transmitted a management  
4 representation letter to Marc Lumer, TCI's outside auditor, for the fiscal period ending June 30,  
5 2005.

6           n.       On or about August 15, 2005, TCI filed with the SEC Form 10-QSB, a  
7 quarterly report.

8           All in violation of Title 18, United States Code, Section 371.

9  
10 COUNT TWO: 15 U.S.C. §§ 78j(b) and 78ff; 17 C.F.R. §§ 240.10b-5 (Securities Fraud);  
11 18 U.S.C. § 2 (Aiding and Abetting)

12       78.       Paragraphs 1 through 69 and paragraphs 70 through 77, as to the factual  
13 allegations only, are realleged as if fully set forth herein.

14       79.       On or about February 22, 2005, in the Northern District of California and  
15 elsewhere, the defendants,

16                               SHOLEH A. HAMEDANI and  
17                               NASSER V. HAMEDANI,

18 unlawfully, willfully, and knowingly, directly and indirectly, by use of the means and  
19 instrumentalities of interstate commerce, the mails, and of facilities of national securities  
20 exchanges, used and employed, in connection with the purchase and sale of securities,  
21 manipulative and deceptive devices and contrivances by: (a) employing devices, schemes, and  
22 artifices to defraud; (b) making untrue statements of material fact and omitting to state material  
23 facts necessary in order to make the statements made, in light of the circumstances under which  
24 they were made, not misleading; and (c) engaging in acts, practices, and course of business which  
25 operated as a fraud and deceit upon members of the investing public and others, in connection  
26 with the purchase and sale of securities, and did aid and abet in the same.

27       80.       Specifically, on or about February 22, 2005, SHOLEH A. HAMEDANI and  
28 NASSER V. HAMEDANI unlawfully, willfully, and knowingly executed the scheme and artifice

1 to defraud by filing, and causing to be filed, with the SEC, a document known as SEC Form 8-K  
2 that contained therein untrue statements of material fact that, among other things, TCI's board of  
3 directors had approved the issuance of approximately 6,527,314 shares of TCI stock to Shadrack  
4 Films upon the conversion of TCI's current debt to Shadrack Films of approximately \$457,000,  
5 priced at a conversion price of \$.07 per share, based on the most recent sale of a share of TCI's  
6 common stock which occurred in October 2002 in a private transaction.

7 81. In fact, on or about February 22, 2005, SHOLEH A. HAMEDANI and NASSER  
8 V. HAMEDANI omitted the material fact that there had been thousands of shares of TCI sold to  
9 numerous investors between on or about October 2002 and on or about February 22, 2005, at  
10 prices ranging from \$.50 to \$2.00 per share.

11 All in violation of Title 15, United States Code, Section 78j(b) and 78ff; Title 17, Code of  
12 Federal Regulations, Sections 240.10b-5; and Title 18, United States Code, Section 2.

13  
14 COUNT THREE: 15 U.S.C. §§ 78j(b) and 78ff; 17 C.F.R. §§ 240.10b-5 (Securities Fraud);  
15 18 U.S.C. § 2 (Aiding and Abetting)

16 82. Paragraphs 1 through 69 and paragraphs 70 through 81, as to the factual  
17 allegations only, are realleged as if fully set forth herein.

18 83. On or about April 20, 2005, in the Northern District of California and elsewhere,  
19 the defendants,

20 SHOLEH A. HAMEDANI and  
21 NASSER V. HAMEDANI,

22 unlawfully, willfully, and knowingly, directly and indirectly, by use of the means and  
23 instrumentalities of interstate commerce, the mails, and of facilities of national securities  
24 exchanges, used and employed, in connection with the purchase and sale of securities,  
25 manipulative and deceptive devices and contrivances by: (a) employing devices, schemes, and  
26 artifices to defraud; (b) making untrue statements of material fact and omitting to state material  
27 facts necessary in order to make the statements made, in light of the circumstances under which

28 ///

1 they were made, not misleading; and (c) engaging in acts, practices, and course of business which  
2 operated as a fraud and deceit upon members of the investing public and others, in connection  
3 with the purchase and sale of securities, and did aid and abet in the same.

4 84. Specifically, on or about April 20, 2005, SHOLEH A. HAMEDANI and NASSER  
5 V. HAMEDANI unlawfully, willfully, and knowingly executed the scheme and artifice to  
6 defraud by filing, and causing to be filed, with the SEC, a document known as SEC Form 8-K  
7 that contained therein untrue statements of material fact that, among other things, TCI's  
8 management had discovered a purported loan agreement that TCI had entered into with five of its  
9 shareholders on October 11, 2002, but that the agreement had not been disclosed in any of TCI's  
10 previous SEC filings or otherwise included as an exhibit as a result of an error of omission.

11 85. In fact, on or about April 20, 2005, SHOLEH A. HAMEDANI and NASSER V.  
12 HAMEDANI omitted the material fact that the transaction described in so-called October 11,  
13 2002 loan agreement had not occurred.

14 All in violation of Title 15, United States Code, Section 78j(b) and 78ff; Title 17, Code of  
15 Federal Regulations, Sections 240.10b-5; and Title 18 , United States Code, Section 2.

16  
17 COUNT FOUR: 15 U.S.C. §§ 78j(b) and 78ff; 17 C.F.R. §§ 240.10b-5, 240.10b-1, and 240.10b-  
18 2 (Securities Fraud); 18 U.S.C. § 2 (Aiding and Abetting)

19 86. Paragraphs 1 through 69 and paragraphs 70 through 85, as to the factual  
20 allegations only, are realleged as if fully set forth herein.

21 87. On or about June 8, 2005, in the Northern District of California and elsewhere, the  
22 defendants,

23 SHOLEH A. HAMEDANI and  
24 NASSER V. HAMEDANI,

25 unlawfully, willfully, and knowingly, directly and indirectly, by use of the means and  
26 instrumentalities of interstate commerce, the mails, and of facilities of national securities  
27 exchanges, used and employed, in connection with the purchase and sale of securities,

28 ///



manipulative and deceptive devices and contrivances by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and course of business which operated as a fraud and deceit upon members of the investing public and others, in connection with the purchase and sale of securities, and did aid and abet in the same.

88. Specifically, on or about June 8, 2005, SHOLEH A. HAMEDANI and NASSER V. HAMEDANI unlawfully, willfully, and knowingly executed the scheme and artifice to defraud by filing, and causing to be filed, with the SEC, a document known as SEC Form 10-KSB that contained therein untrue statements of material fact that, among other things, TCI's management had discovered a purported loan agreement that TCI had entered into with five of its shareholders on October 11, 2002, but that the agreement had not been disclosed in any of TCI's previous SEC filings or otherwise included as an exhibit as a result of an error of omission.

89. In fact, on or about June 8, 2005, SHOLEH A. HAMEDANI and NASSER V. HAMEDANI omitted the material fact that that the transaction described in so-called October 11, 2002 loan agreement had not occurred.

All in violation of Title 15, United States Code, Section 78j(b) and 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5; and Title 18, United States Code, Section 2.

COUNT FIVE: 15 U.S.C. §§ 78j(b) and 78ff; 17 C.F.R. §§ 240.10b-5, 240.10b-1, and 240.10b-2 (Securities Fraud); 18 U.S.C. § 2 (Aiding and Abetting)

90. Paragraphs 1 through 69 and paragraphs 70 through 89, as to the factual allegations only, are realleged as if fully set forth herein.

91. On or about August 15, 2005, in the Northern District of California and

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///

///

1 elsewhere, the defendants,

2 SHOLEH A. HAMEDANI and  
3 NASSER V. HAMEDANI,

4 unlawfully, willfully, and knowingly, directly and indirectly, by use of the means and  
5 instrumentalities of interstate commerce, the mails, and of facilities of national securities  
6 exchanges, used and employed, in connection with the purchase and sale of securities,  
7 manipulative and deceptive devices and contrivances by: (a) employing devices, schemes, and  
8 artifices to defraud; (b) making untrue statements of material fact and omitting to state material  
9 facts necessary in order to make the statements made, in light of the circumstances under which  
10 they were made, not misleading; and (c) engaging in acts, practices, and course of business which  
11 operated as a fraud and deceit upon members of the investing public and others, in connection  
12 with the purchase and sale of securities, and did aid and abet in the same.

13 92. Specifically, on or about August 15, 2005, SHOLEH A. HAMEDANI and  
14 NASSER V. HAMEDANI executed the scheme and artifice to defraud by filing, and causing to  
15 be filed, with the SEC, a document known as SEC Form 10-QSB that contained therein untrue  
16 statements of material fact that, among other things, TCI's management had discovered a  
17 purported loan agreement that TCI had entered into with five of its shareholders on October 11,  
18 2002, but that the agreement had not been disclosed in any of TCI's previous SEC filings or  
19 otherwise included as an exhibit as a result of an error of omission.

20 93. In fact, on or about August 15, 2005, SHOLEH A. HAMEDANI and NASSER V.  
21 HAMEDANI omitted the material fact that that the transaction described in so-called October 11,  
22 2002 loan agreement had not occurred.

23 All in violation of Title 15, United States Code, Section 78j(b) and 78ff; Title 17, Code of  
24 Federal Regulations, Sections 240.10b-5, 240.10b5-1, and 240.10b-2; and Title 18 , United  
25 States Code, Section 2.

26  
27 COUNT SIX: 18 U.S.C. § 1348 (Securities Fraud)

28 94. Paragraphs 1 through 69 and paragraphs 70 through 93, as to the factual

1 allegations only, are realleged as if fully set forth herein.

2 95. Beginning on or about February 2002, and continuing to on or about October  
3 2006, in the Northern District of California and elsewhere, the defendants

4 SHOLEH A. HAMEDANI and  
5 NASSER V. HAMEDANI,

6 knowingly executed and attempted to execute a scheme and artifice to defraud in connection with  
7 a security, to wit, the securities of TCI, an issuer with a class of securities registered under  
8 Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) and that is required to file  
9 reports under section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(d)), and  
10 knowingly executed and attempted to execute a scheme and artifice to obtain, by means of false  
11 and fraudulent pretenses, representations, and promises, money and property in connection with  
12 the purchase and sale of a security, to wit, the securities of TCI, an issuer with a class of  
13 securities registered under Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) and  
14 that is required to file reports under section 15(d) of the Securities Exchange Act of 1934 (15  
15 U.S.C. 78o(d)).

16 96. On or about May 13, 2004, defendants executed the scheme and artifice to defraud  
17 by filing, and causing to be filed, with the SEC in or about Washington, D.C., a document known  
18 as SEC Form 424B2 (also known as a prospectus), that contained therein materially false and  
19 fraudulent pretenses, representations and promises that, among other things, proceeds from the  
20 sale of the securities being offered in the prospectus would be used to implement TCI's marketing  
21 and sales plan, for technical operations, and to provide general operating capital, as set forth in  
22 the prospectus in the sections entitled Use of Proceeds and Plan of Operation, when, in fact, each  
23 defendant intended to use the proceeds from the sale of the securities being offered in the  
24 prospectus for other purposes, including personal expenses not related to TCI.

25 97. In addition, the SEC Form 424B2 also contained therein materially false and  
26 fraudulent pretenses, representations and promises that, among other things, the prospectus  
27 identified by name all of TCI's current officers and directors and did not list any role for  
28 NASSER V. HAMEDANI as a officer or director in TCI, when, in fact, from on or about

1 February 2002 through on or about October 2006, NASSER V. HAMEDANI controlled TCI by,  
2 among other things, arranging for the purchase of TCI, acting as Chairman of TCI, managing the  
3 sale of TCI shares to outside investors, and controlling the bank accounts into which TCI's  
4 investor monies were deposited.

5 All in violation of Title 18, United States Code, Section 1348.

6  
7 COUNT SEVEN: 15 U.S.C. § 78ff, 17 C.F.R. § 240.13b2-2 (False Statement to Accountants);  
8 18 U.S.C. § 2 (Aiding and Abetting)

9 98. Paragraphs 1 through 69 and paragraphs 70 through 97, as to the factual  
10 allegations only, are realleged as if fully set forth herein.

11 99. On or about June 23, 2005, in the Northern District of California and elsewhere,  
12 the defendants,

13 SHOLEH A. HAMEDANI and  
14 NASSER V. HAMEDANI,

15 did knowingly and willfully make and cause to be made materially false and misleading  
16 statements and omissions to TCI's auditors in connection with the audit and examination of  
17 TCI's financial statements, and in connection with the preparation of documents and reports  
18 required to be filed with the SEC, and did knowingly and willfully omit to state material facts  
19 necessary in order to make statements made, in light of the circumstances under which such  
20 statements were made, not misleading, and did aid and abet in the same.

21 100. On or about April 2005, SHOLEH A. HAMEDANI, aided and abetted by  
22 NASSER V. HAMEDANI, provided a copy of the so-called October 11, 2002 loan agreement to  
23 TCI's outside auditors in order to prepare the restatement of its earnings.

24 101. On or about June 23, 2005, SHOLEH A. HAMEDANI executed a management  
25 representation letter to TCI's outside auditors, in which she represented, among other things, (a)  
26 there were no material transactions that have not been properly recorded in the accounting  
27 records underlying the interim financial information; and (b) she had no knowledge of any fraud  
28 or suspected fraud affecting TCI involving management or others where fraud could have a

1 material effect on interim financial information.

2 102. In fact, on or about June 23, 2005, SHOLEH A. HAMEDANI and NASSER V.  
3 HAMEDANI omitted the material fact that the that the transaction described in so-called October  
4 11, 2002 loan agreement had not occurred.

5 All in violation of Title 15, United States Code, Section 78ff; Title 17, Code of Federal  
6 Regulations, Section 240.13b2-2; and Title 18, United States Code, Section 2.

7  
8 COUNT EIGHT: 15 U.S.C. § 78ff, 17 C.F.R. § 240.13b2-2 (False Statement to Accountants);  
9 18 U.S.C. § 2 (Aiding and Abetting)

10 103. Paragraphs 1 through 69 and paragraphs 70 through 102, as to the factual  
11 allegations only, are realleged as if fully set forth herein.

12 104. On or about August 10, 2005, in the Northern District of California and  
13 elsewhere, the defendants,

14 SHOLEH A. HAMEDANI and  
15 NASSER V. HAMEDANI,

16 did knowingly and willfully make and cause to be made materially false and misleading  
17 statements and omissions to TCI's auditors in connection with the audit and examination of  
18 TCI's financial statements, and in connection with the preparation of documents and reports  
19 required to be filed with the SEC, and did knowingly and willfully omit to state material facts  
20 necessary in order to make statements made, in light of the circumstances under which such  
21 statements were made, not misleading, and did aid and abet in the same.

22 105. On or about April 2005, SHOLEH A. HAMEDANI, aided and abetted by  
23 NASSER V. HAMEDANI, provided a copy of the so-called October 11, 2002 loan agreement to  
24 TCI's outside auditors in order to prepare the restatement of its earnings.

25 106. Specifically, on or about August 10, 2005, SHOLEH A. HAMEDANI executed a  
26 management representation letter to TCI's outside auditors, in which she represented, among  
27 other things, (a) there were no material transactions that have not been properly recorded in the  
28 accounting records underlying the interim financial information; and (b) she had no knowledge

1 of any fraud or suspected fraud affecting TCI involving management or others where fraud could  
2 have a material effect on interim financial information.

3 107. In fact, on or about August 10, 2005, SHOLEH A. HAMEDANI and NASSER V.  
4 HAMEDANI omitted the material fact that the that the transaction described in so-called October  
5 11, 2002 loan agreement had not occurred.

6 All in violation of Title 15, United States Code, Section 78ff; Title 17, Code of Federal  
7 Regulations, Section 240.13b2-2; and Title 18, United States Code, Section 2.

8  
9 COUNT NINE: 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5) and 78ff, 17 C.F.R. § 240.13b2-1  
10 (Falsifying Books, Records, and Accounts); 18 U.S.C. § 2 (Aiding and Abetting)

11 108. Paragraphs 1 through 69 and paragraphs 70 through 107, as to the factual  
12 allegations only, are realleged as if fully set forth herein.

13 109. Between on or about February 23, 2005 and on or about October 2006, in the  
14 Northern District of California and elsewhere, the defendants,

15 SHOLEH A. HAMEDANI and  
16 NASSER V. HAMEDANI,

17 did knowingly and willfully, directly and indirectly, falsify and cause to be falsified books,  
18 records, and accounts of TCI, and did aid and abet in the same.

19 All in violation of Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5) and  
20 78ff; Title 17, Code of Federal Regulations, Section 240.13b2-1; and Title 18, United States  
21 Code, Section 2.

22  
23 COUNT TEN: 18 U.S.C. § 371 (Conspiracy to Commit Obstruction)

24 110. Paragraphs 1 through 69 and paragraphs 70 through 109, as to the factual  
25 allegations only, are realleged as if fully set forth herein.

26 111. From on or about October 2005 through on or about June 2008, in the Northern

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28 ///

1 District of California and elsewhere, the defendants,

2 SHOLEH A. HAMEDANI and  
3 NASSER V. HAMEDANI,

4 and others unlawfully, willfully, and knowingly, did conspire and agree together and with each  
5 other to commit an offense against the United States, to wit, obstruction, in violation of Title 18  
6 United States Code, Sections 371 and 1505.

7 112. It was part and object of the conspiracy that SHOLEH A. HAMEDANI, NASSER  
8 V. HAMEDANI and others unlawfully, willfully, and knowingly, directly and indirectly,  
9 corruptly influenced, obstructed, and impeded, and endeavored to corruptly influence, obstruct,  
10 and impede, the proper and due administration of law under which a pending proceeding was  
11 being had before a department or agency of the United States, to wit, the SEC and its  
12 investigation into securities fraud relating to the registration and sales of securities issued by TCI,  
13 and specifically as to the existence of the so-called October 11, 2002 loan agreement, in violation  
14 of Title 18, United States Code, Section 1505.

15  
16 The Manner and Means of the Conspiracy to Obstruct

17 113. Among the manner and means by SHOLEH A. HAMEDANI, NASSER V.  
18 HAMEDANI, and others carried out this conspiracy to obstruct were the following:

19 a. SHOLEH A. HAMEDANI, NASSER V. HAMEDANI and others made  
20 false and misleading statements to the SEC during interviews and depositions, to wit, the  
21 existence of the so-called October 11, 2002 loan agreement, with an intent to corruptly influence,  
22 obstruct, and impede the SEC's investigation;

23 b. SHOLEH A. HAMEDANI, NASSER V. HAMEDANI and others  
24 provided, and attempted to provide, documents and other materials to the SEC, to wit, the  
25 existence of the so-called October 11, 2002 loan agreement, with an intent to corruptly influence,  
26 obstruct, and impede the SEC's investigation.

27 ///

28 ///

1                                    The Overt Acts of the Conspiracy to Obstruct

2            114.    In furtherance of the conspiracy and to effect the illegal object thereof, SHOLEH  
3    A. HAMEDANI and NASSER V. HAMEDANI committed and caused others to commit the  
4    following overt acts, among others, in the Northern District of California and elsewhere:

5                    a.        On or about October 25, 2005, NASSER V. HAMEDANI made  
6    statements to the SEC during a sworn interview.

7                    b.        On or about October 26, 2005, SHOLEH A. HAMEDANI made  
8    statements to the SEC during a sworn interview.

9                    c.        On or about January 6, 2006, NASSER V. HAMEDANI made statements  
10   to the SEC during a sworn interview.

11                   d.        On or about January 9, 2006, SHOLEH A. HAMEDANI made statements  
12   to the SEC during a sworn interview.

13                   e.        On or about March 27, 2006, NASSER V. HAMEDANI made statements  
14   to the SEC during a sworn interview.

15                   f.        On or about March 31, 2006, SHOLEH A. HAMEDANI made statements  
16   to the SEC during a sworn interview.

17                   g.        On or about January 9, 2008, SHOLEH A. HAMEDANI made statements  
18   to the SEC during a sworn deposition.

19                   h.        On or about January 11, 2008, NASSER V. HAMEDANI made statements  
20   to the SEC during a sworn deposition.

21                   i.        On or about June 26, 2008, SHOLEH A. HAMEDANI executed a  
22   declaration under penalty of perjury that was subsequently filed with the United States District  
23   Court for the Northern District of California.

24            All in violation of Title 18, United States Code, Section 371.

25  
26   COUNT ELEVEN: 18 U.S.C. § 1505 (Obstruction)

27            115.    Paragraphs 1 through 69 and paragraphs 70 through 114, as to the factual  
28   allegations only, are realleged as if fully set forth herein.



1           116. Between on or about October 25, 2005, and on or about June 26, 2008, in the  
2 Northern District of California and elsewhere, the defendant,  
3                               SHOLEH A. HAMEDANI,  
4 unlawfully, willfully, and knowingly, corruptly influenced, obstructed, and impeded, and  
5 endeavored to corruptly influence, obstruct, and impede, the proper and due administration of  
6 law under which a pending proceeding was being had before a department or agency of the  
7 United States, to wit, the SEC and its investigation into securities fraud relating to the  
8 registration and sales of securities issued by TCI, and specifically as to the existence of the so-  
9 called October 11, 2002 loan agreement.

10           All in violation of Title 18, United States Code, Section 1505.

11  
12 COUNT TWELVE: 18 U.S.C. § 1505 (Obstruction)

13           117. Paragraphs 1 through 69 and paragraphs 70 through 116, as to the factual  
14 allegations only, are realleged as if fully set forth herein.

15           118. Between on or about January 6, 2006, and on or about March 27, 2006, in the  
16 Northern District of California and elsewhere, the defendant,  
17                               NASSER V. HAMEDANI,  
18 unlawfully, willfully, and knowingly, corruptly influenced, obstructed, and impeded, and  
19 endeavored to corruptly influence, obstruct, and impede, the proper and due administration of  
20 law under which a pending proceeding was being had before a department or agency of the  
21 United States, to wit, the SEC and its investigation into securities fraud relating to the  
22 registration and sales of securities issued by TCI, and specifically as to the existence of the so-  
23 called October 11, 2002 loan agreement.

24           All in violation of Title 18, United States Code, Section 1505.

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26 ////

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28 ////

1 FORFEITURE ALLEGATION

2 119. Paragraphs 1 through 69 and paragraphs 70 through 118, as to the factual  
3 allegations only, are realleged as if fully set forth herein and by this reference fully incorporated  
4 herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States  
5 Code, Section 981(a)(1)(C), Title 21, and Title 28, United States Code, Section 2461.

6 120. Upon a conviction of any of the offenses alleged in Counts One through Five, the  
7 defendants,

8 SHOLEH A. HAMEDANI and  
9 NASSER V. HAMEDANI,

10 shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C)  
11 and Title 28, United States Code, Section 2461, any property (real and personal) which  
12 constitutes or is derived from proceeds of said violations as alleged in Counts One through Five  
13 of this Superseding Indictment, or any property traceable to said offenses.

14 121. If, as a result of any act or omission of the defendants, any of said property

- 15 a. cannot be located upon the exercise of due diligence;  
16 b. has been transferred or sold to or deposited with, a third person;  
17 c. has been placed beyond the jurisdiction of the Court;  
18 d. has been substantially diminished in value; or  
19 e. has been commingled with other property which, without difficulty cannot  
20 be subdivided;

21 any and all interest defendants have in any other property, up to approximately value of the  
22 property subject to forfeiture, shall be forfeited to the United States, pursuant to Title 21, United

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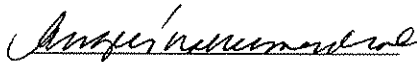
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1 States Code, Sections U.S.C. § 853(p), as incorporated by Title 28, United States Code, Section  
2 2461(c).


3  
4 DATED: 7/21/09

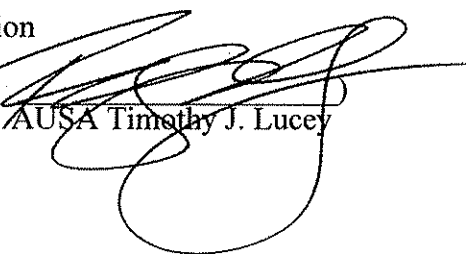
A TRUE BILL

5  
6  
7 

8 FOREPERSON

9  
10 JOSEPH P. RUSSONIELLO  
11 United States Attorney

12  
13   
14 BRIAN J. STRETCH  
15 Chief, Criminal Division

16 (Approved as to form: 

AUSA Timothy J. Lucey